

Update on the Development of a New Regional Transportation Plan

Management Committee
October 7, 2020



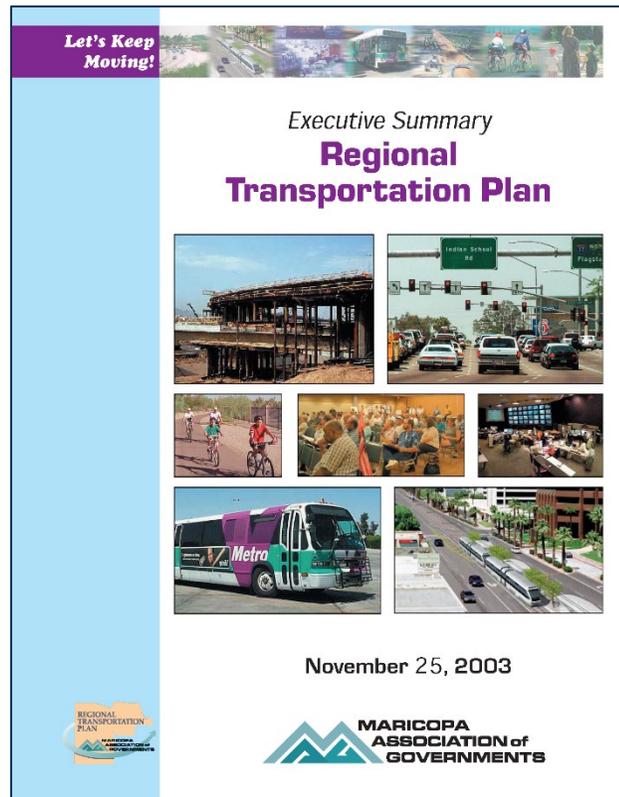


Presentation Overview

1. History and overview of the region's transit funding policy
2. Role of local funding in delivering transit
3. Transit funding policy options moving forward
4. September 30, 2020, Management Committee RTP work group update
5. Next steps

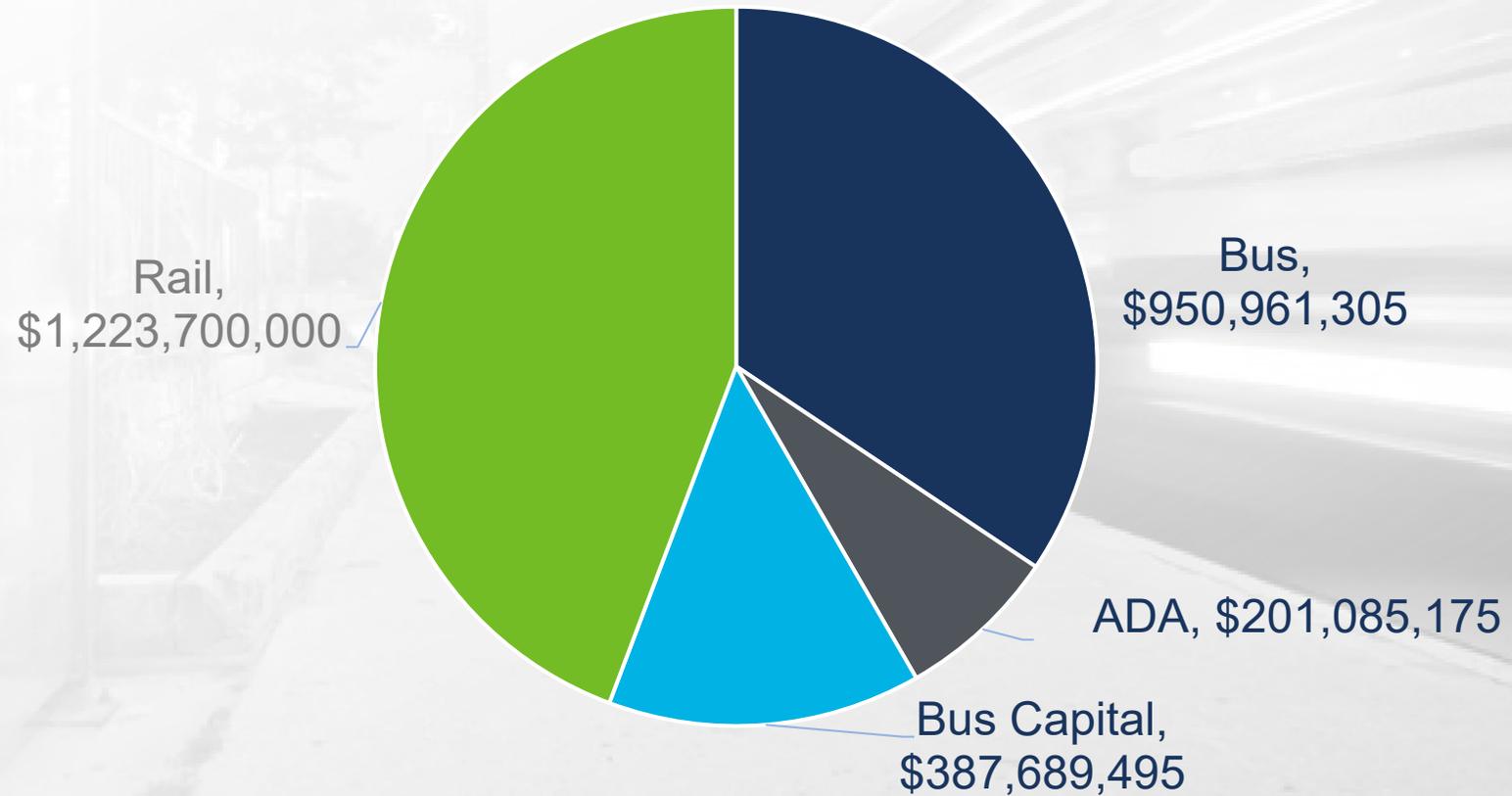
History and Overview

TLCP Overview

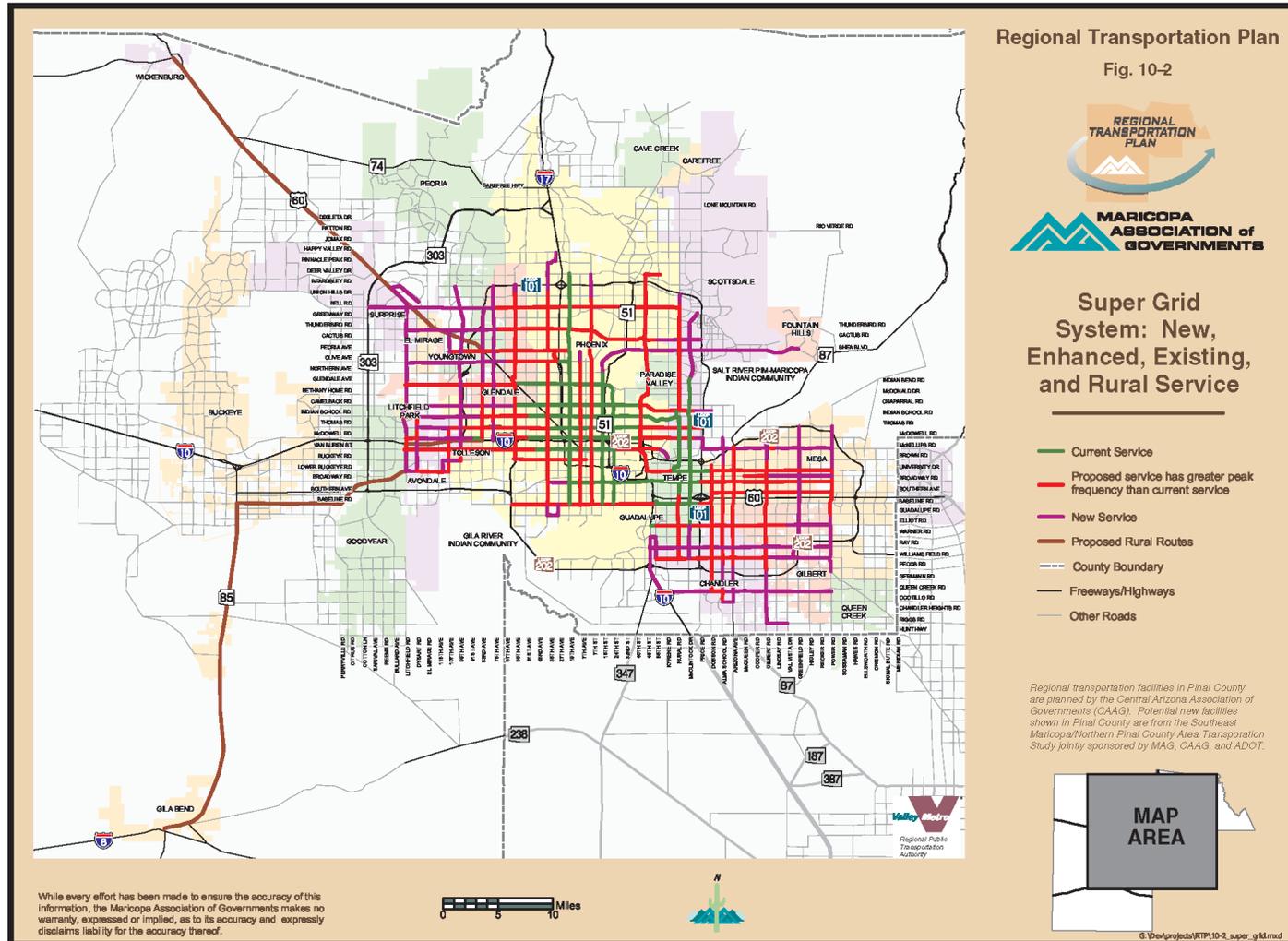


- 2003 RTP was basis for Proposition 400 ballot initiative.
 - Allocated 33.3 percent of sales tax revenues to transit (Public Transportation Fund or PTF).
 - Also allocated MAG FTA formula funds and a portion of MAG FHWA CMAQ funds.
- Transit component managed by Valley Metro through the Transit Life Cycle Program (TLCP).

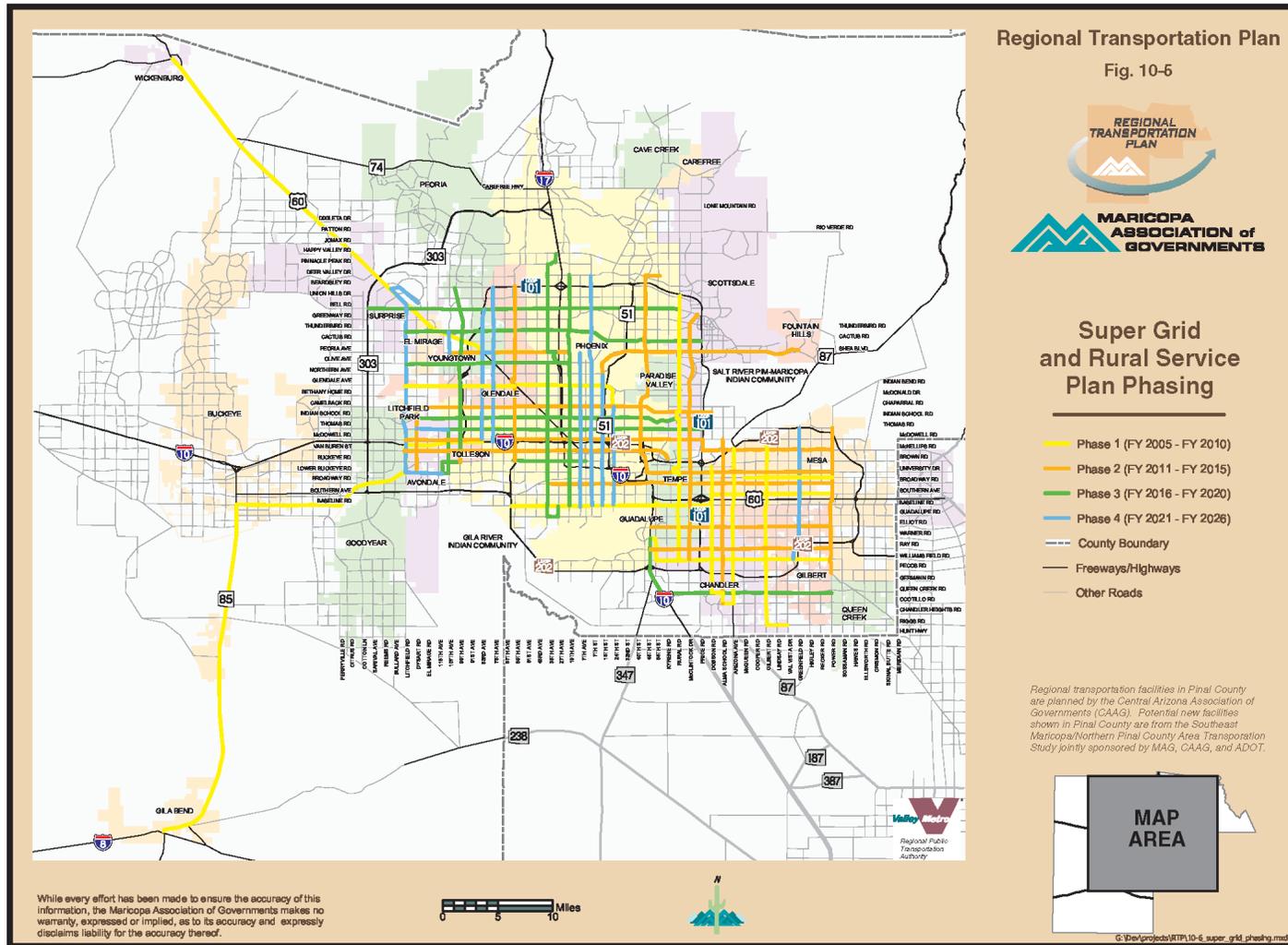
TLCRP: 2003 RTP Allocations



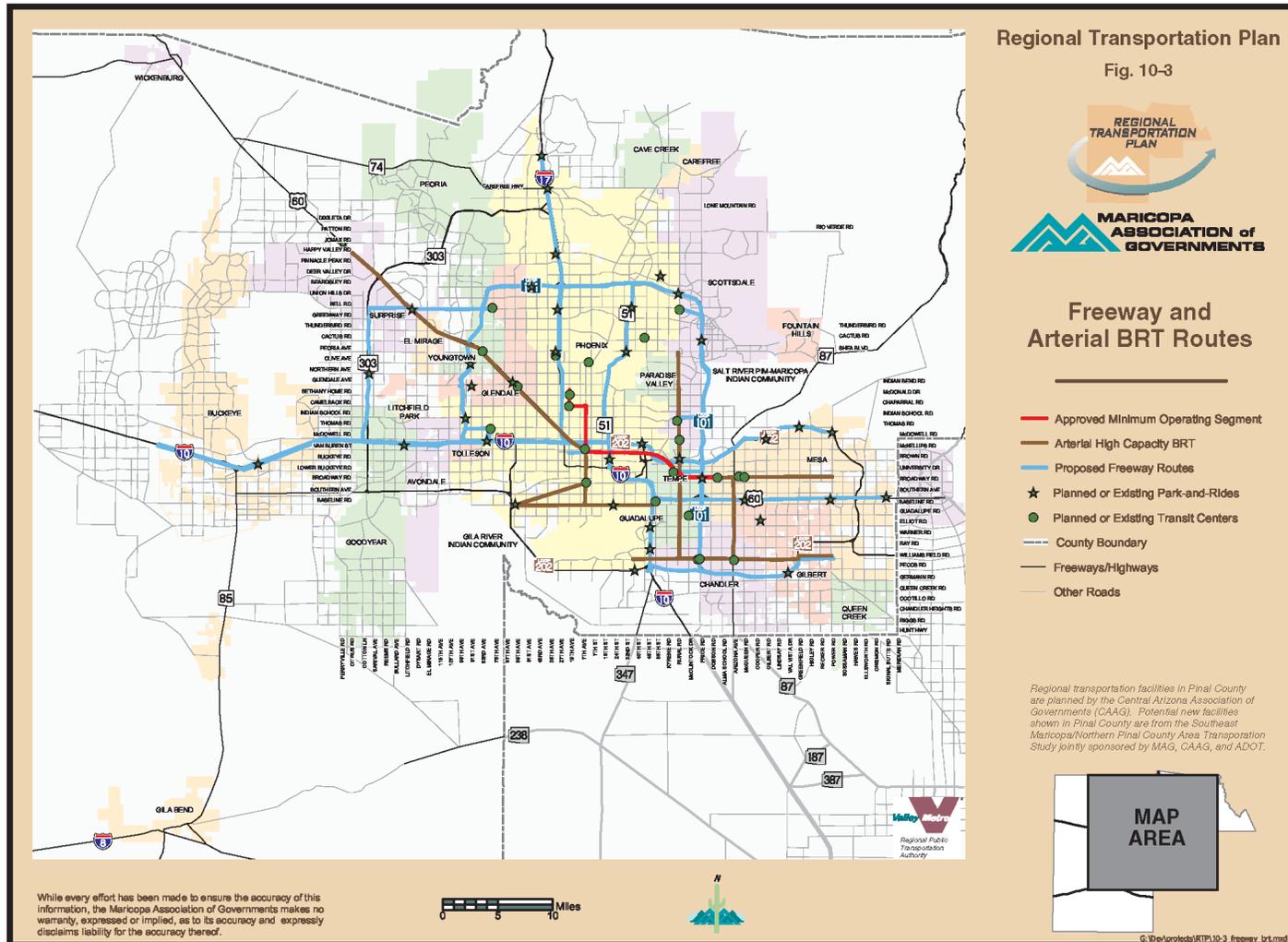
2003 RTP: Supergrid Routes



2003 RTP: Supergrid Phasing



2003 RTP: Express Bus



TLCP: Jurisdictional Allocations

Jurisdiction	Bus PTF ¹	ADA PTF ¹	Bus Capital PTF ¹	High Capacity PTF ³	Total
Avondale	\$17,182,388	\$3,788,445	\$2,701,500	\$0	\$23,760,688
Buckeye	\$940,271	\$144,781	\$31,015	\$0	\$1,120,089
Carefree	\$0	\$0	\$0	\$0	\$0
Cave Creek	\$0	\$0	\$0	\$0	\$0
Chandler	\$107,535,476	\$24,087,993	\$13,963,300	\$0	\$146,149,676
El Mirage	\$2,605,944	\$571,082	\$298,270	\$0	\$3,487,914
Fountain Hills	\$1,089,225	\$164,890	\$50,400	\$0	\$1,308,537
Gila Bend	\$2,048,115	\$38,206	\$7,754	\$0	\$2,094,075
Gilbert	\$70,194,682	\$16,020,456	\$7,878,100	\$0	\$94,467,482
Glendale	\$66,966,938	\$16,398,496	\$3,959,100	\$25,000,000	\$108,008,538
Goodyear	\$3,491,105	\$468,528	\$23,261	\$0	\$3,992,949
Guadalupe	\$83,787	\$20,109	\$6,203	\$0	\$110,099
Litchfield Park	\$3,025,624	\$438,366	\$38,769	\$0	\$3,512,813
Maricopa County	\$5,264,986	\$3,052,473	\$1,683,100	\$0	\$10,073,686
Mesa	\$221,237,629	\$52,710,457	\$25,073,700	\$65,000,000	\$365,252,929
Paradise Valley	\$7,182,391	\$953,144	\$103,478	\$0	\$8,260,309
Peoria	\$25,585,316	\$5,600,222	\$2,928,975	\$0	\$34,244,991
Phoenix	\$204,913,565	\$0	\$285,217,500	\$1,005,000,000	\$1,495,131,065
Queen Creek	\$809,936	\$112,608	\$15,508	\$0	\$942,073
Scottsdale	\$116,256,364	\$30,299,514	\$13,462,800	\$0	\$160,727,464
Surprise	\$3,090,792	\$426,301	\$50,400	\$0	\$3,577,547
Tempe	\$86,811,277	\$45,169,763	\$30,122,700	\$128,700,000	\$291,860,477
Tolleson	\$4,161,397	\$530,865	\$54,277	\$0	\$4,758,604
Wickenburg	\$279,288	\$50,271	\$7,754	\$0	\$339,324
Youngtown	\$204,811	\$38,206	\$11,631	\$0	\$254,648
TOTAL	\$950,961,305	\$201,085,175	\$387,689,495	\$1,223,700,000	\$2,763,435,975

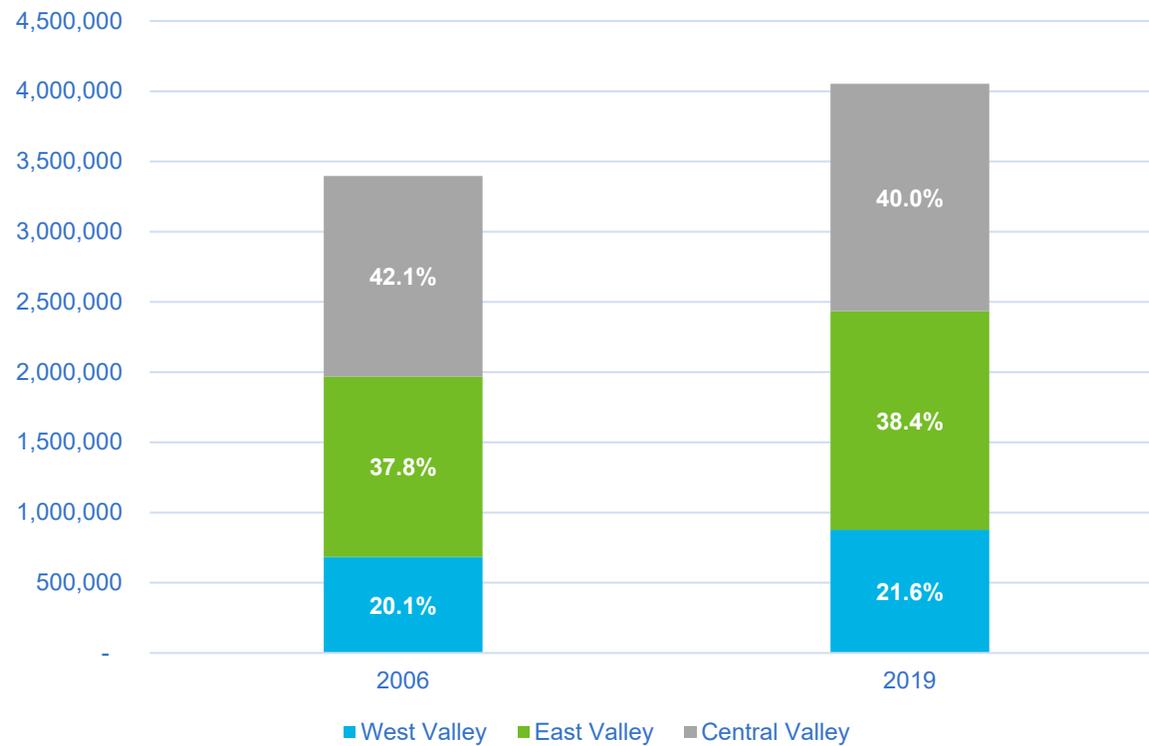


Table A –Jurisdictional Equity Allocation

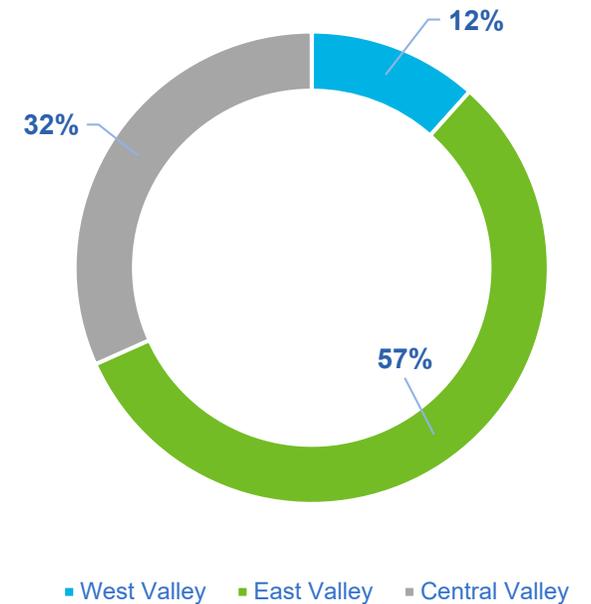
Jurisdiction	Bus PTF % Share
Avondale	1.538%
Buckeye	0.073%
Carefree	0.000%
Cave Creek	0.000%
Chandler	9.463%
El Mirage	0.226%
Fountain Hills	0.085%
Gila Bend	0.136%
Gilbert	6.117%
Glendale ⁽²⁾	5.679%
Goodyear	0.259%
Guadalupe	0.007%
Litchfield Park	0.227%
Maricopa County ⁽¹⁾	0.652%
Mesa	19.441%
Paradise Valley	0.535%
Peoria	2.217%
Phoenix	31.735%
Queen Creek	0.061%
Scottsdale	10.407%
Surprise	0.232%
Tempe	10.564%
Tolleson	0.308%
Wickenburg	0.022%
Youngtown	0.016%
Total	100.000%
West Valley	11.585%
Central Valley	31.735%
East Valley	56.680%



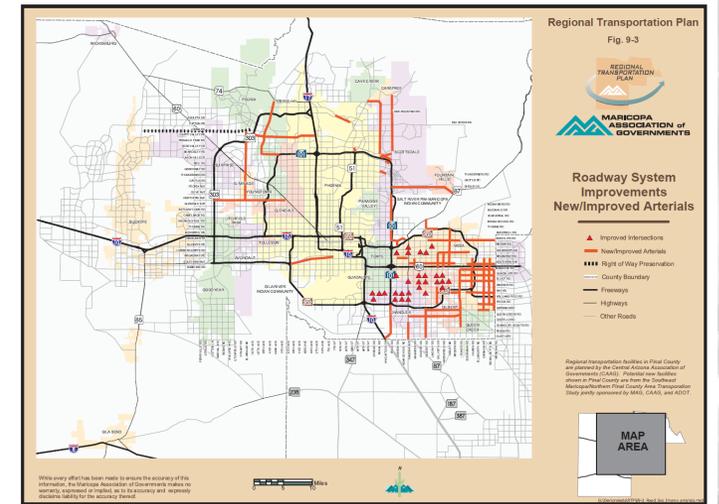
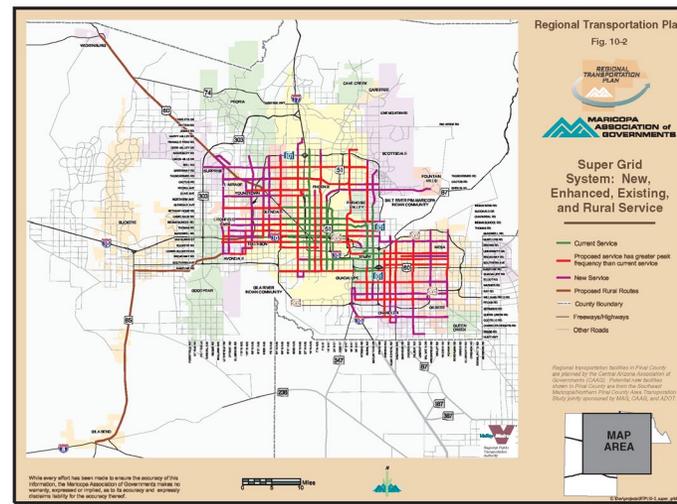
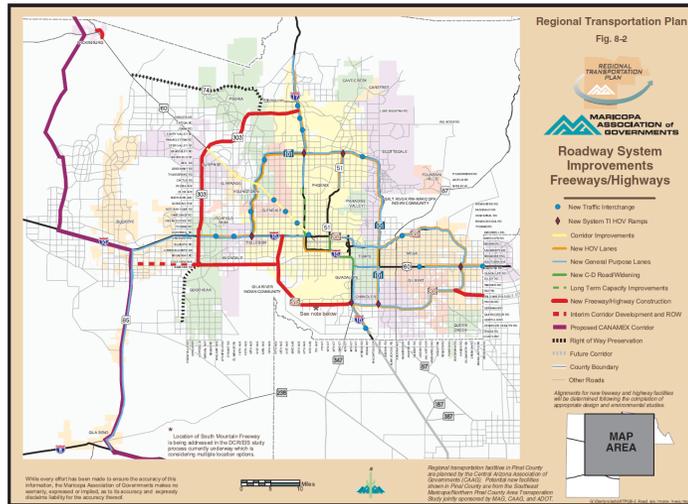
MAG Region Population Growth



JE Allocation

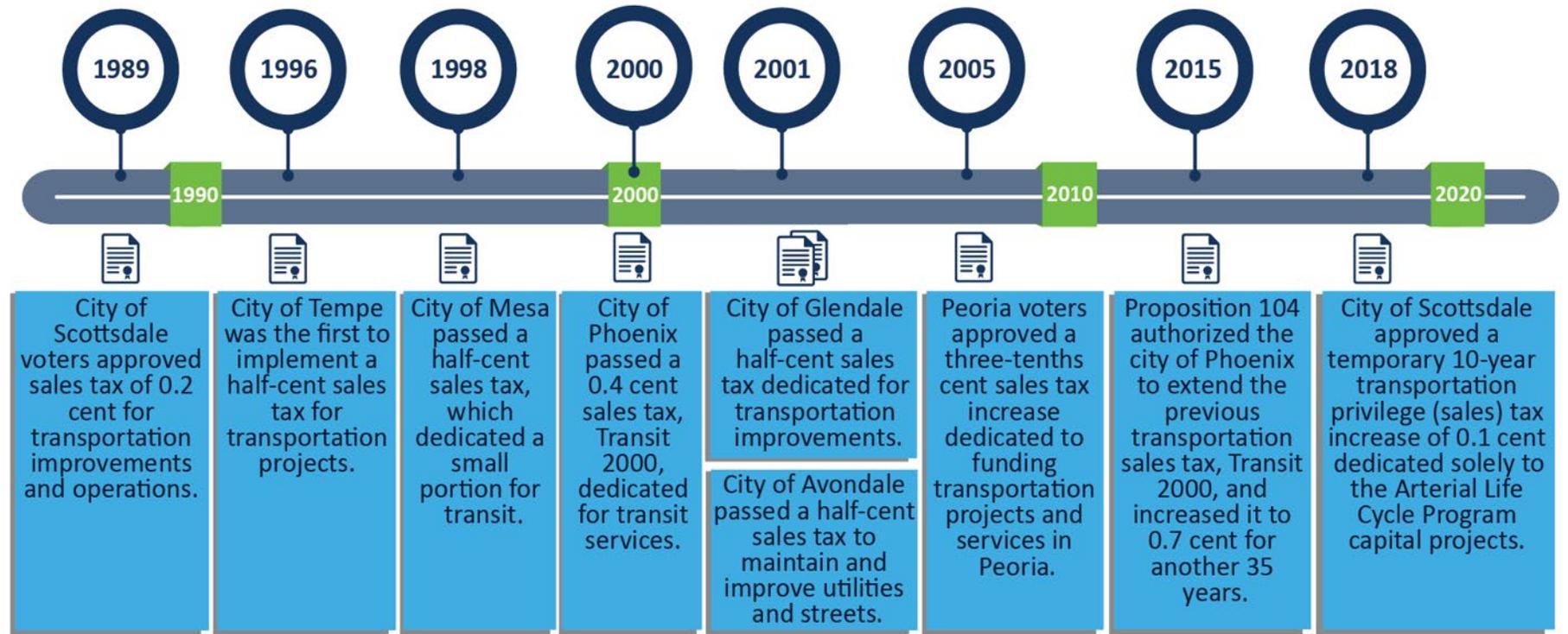


2003 RTP: Geographic Equity



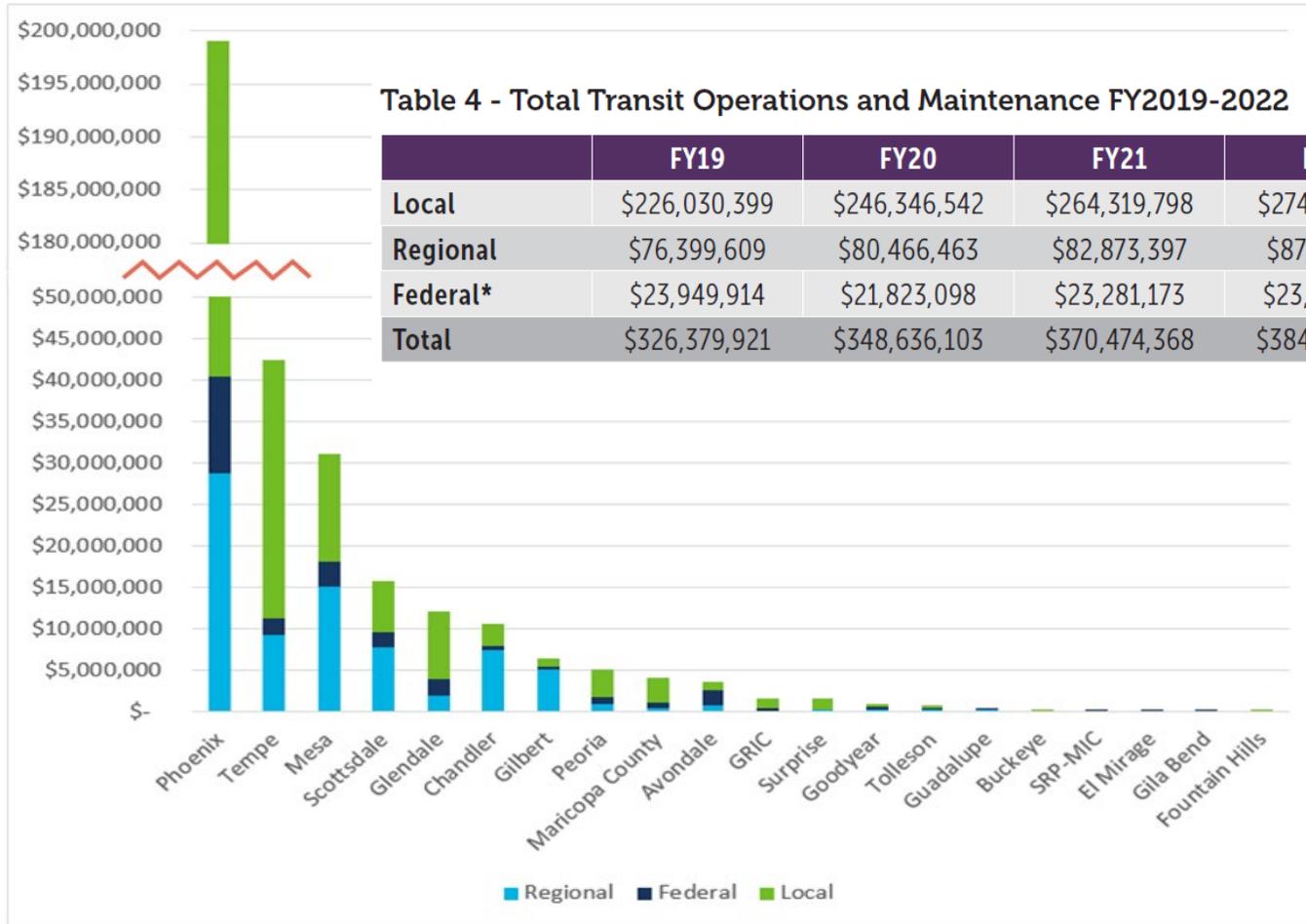
Role of Local Funding

Timeline of Local Funding Transportation Sales Taxes



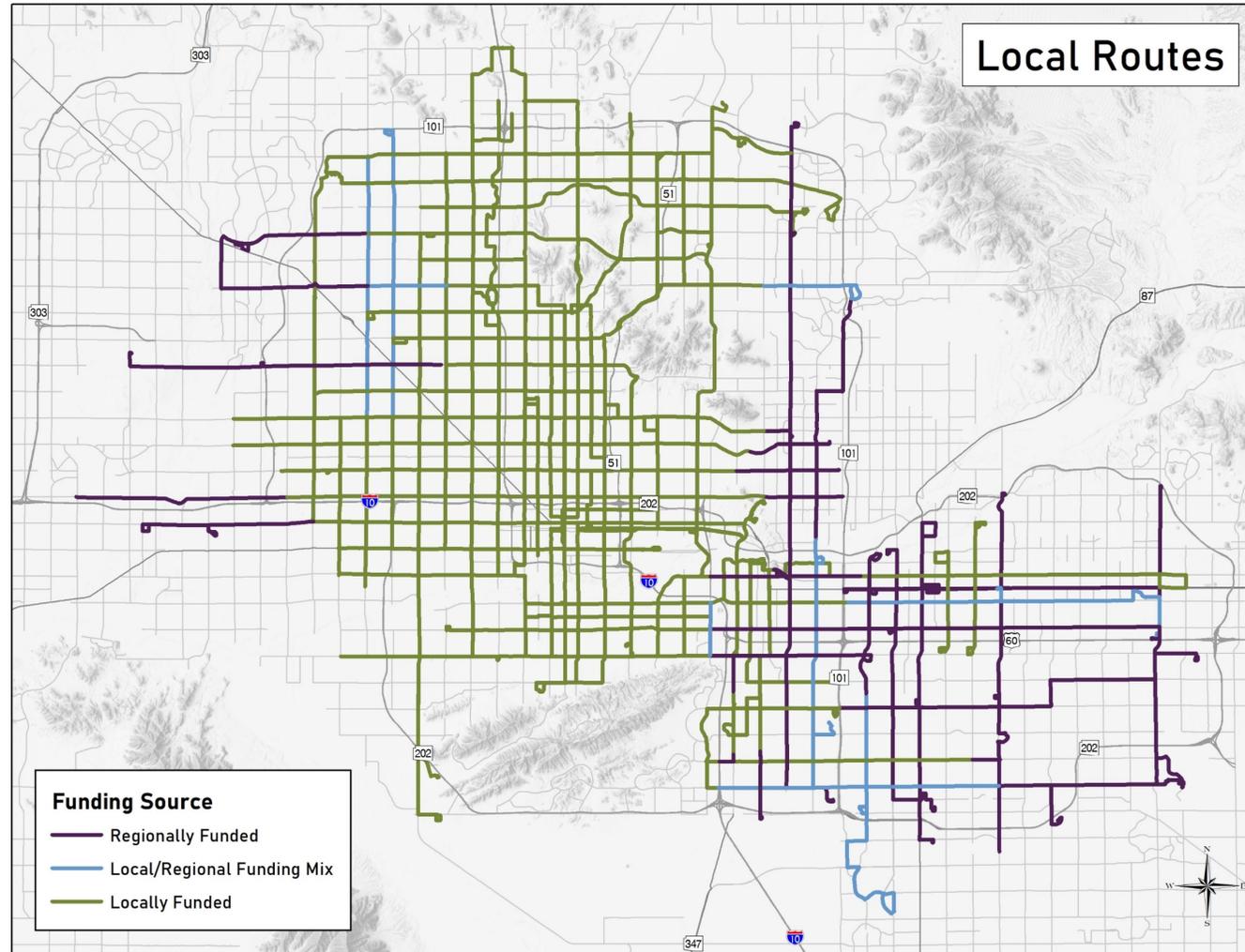
Data Source: City of Avondale, City of Glendale, City of Mesa, City of Peoria, City of Phoenix, City of Scottsdale, City of Tempe, and Valley Metro

Total Transit Operating Costs by Funding Source, FY19-FY22

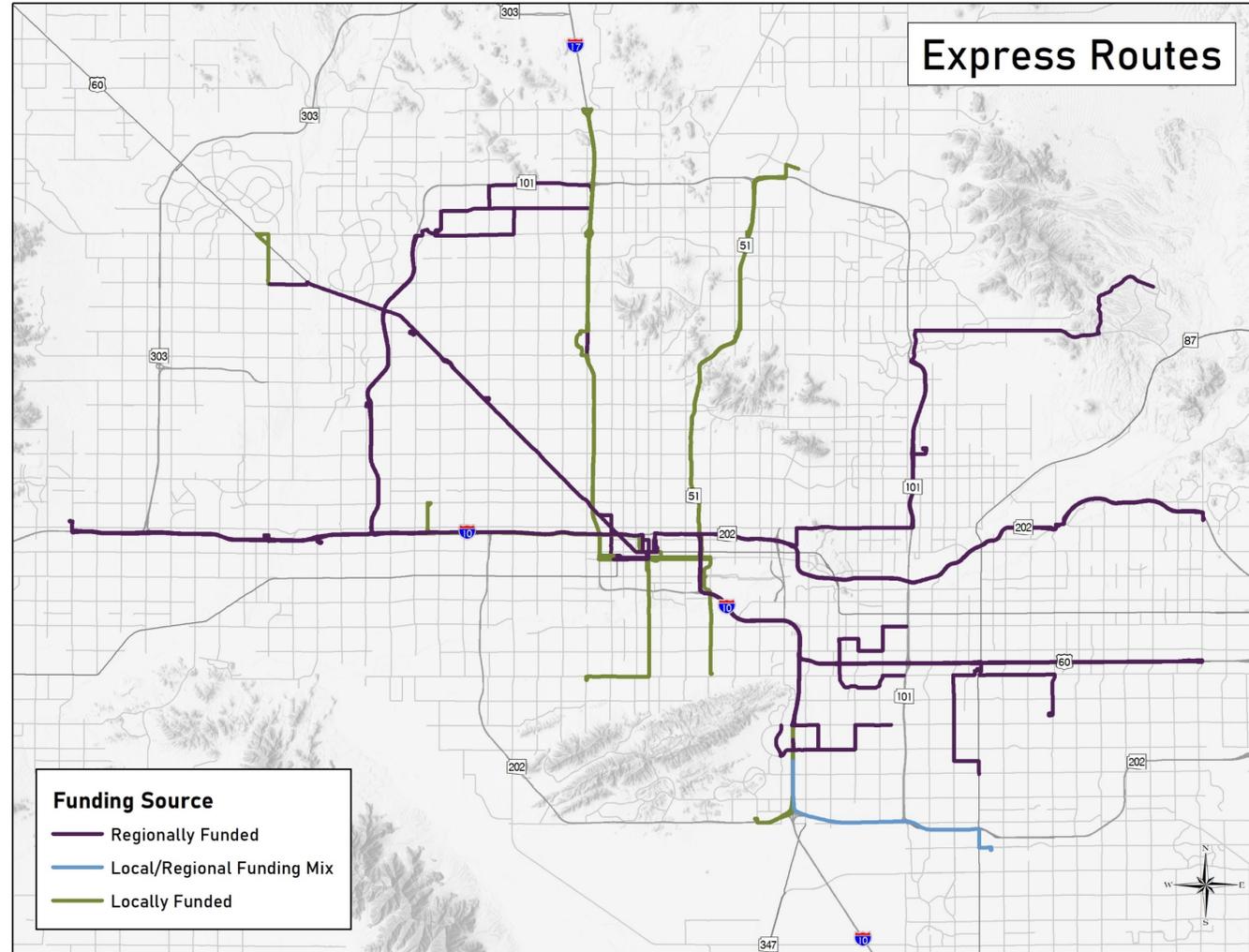


Local funding is inclusive of LTAF II funding distributions to jurisdictions
 Data Source: Valley Metro Transit Service Inventory FY 2019 – FY 2022

Routes by Funding Source: Bus Service (2019)

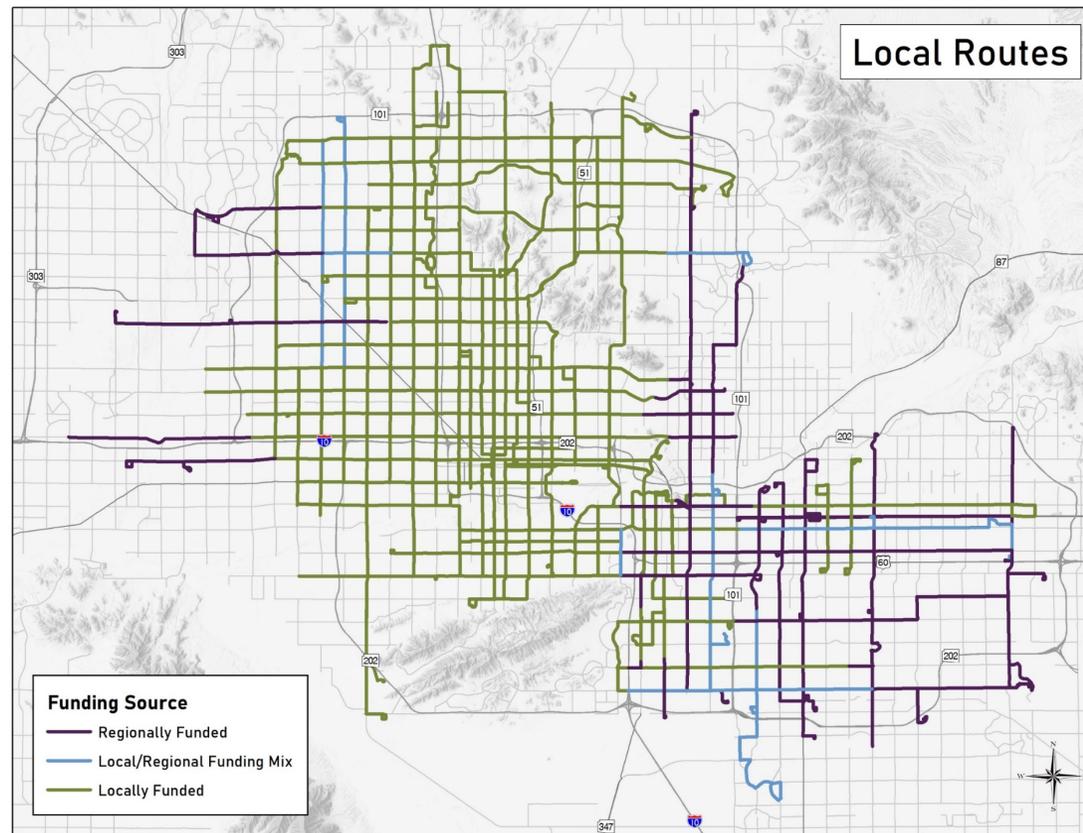


Routes by Funding Source: Express Service (2019)



Looking Forward

Ongoing Annual Operations



Cost of Regional Portion
for Supported
Routes/Service at the
end of Proposition 400:
\$104 m/year (2020\$)*

*Annual total of regionally-funded transit operation expenditures programmed in the TLCPP for FY 2025. Excludes any associated capital (e.g., bus replacements)



What is the Path Forward?

1. Revisit Long-Range Plan-Based Approach
2. Continue with Fixed Allocation Revenue Approach
3. Migrate to a Formula-Based Approach Tied to Transit Performance



Review of Industry Best Practice: Performance Based

Five Principles Common to Regional Transit Funding Allocation Policies

1. Allocations based on audited, actual transit performance data
2. Allocations are calculated annually based on the most recently available audited data
3. Allocations positively correlate with service productivity
4. Operators incentivized to adapt transit service to meet transit demand
5. Allocation procedures are transparent

What is the Path Forward?

Three Approaches Revisited

Potential Approaches	Advantages	Limitations
Revisit Long-Range, Plan-Based Approach	Reverts to pre-recession regional planning approach	Is not adaptive to account for short-term changes
	Establishes a clear <i>regionally focused</i> vision for bus service	May not promote highest performing services
Continue with Fixed Allocation Revenue Approach	Provides continuity with existing policy	Does not promote quality or regionally focused transit service
		Fixed rates do not account for changes over time
		Does not promote equity in funding allocations regionally
Migrate to a Formula-Based Approach Tied to Transit Performance	Performance-driven approach promotes higher quality regionally focused transit	Implementation of a new policy requires initial procedural adjustments
	Highly adaptive to changes over time	
	Consistent with industry best-practice	

Work Group Update

Work Group Update

September 30, 2020

- Important to maintain regional funding support on existing routes/service
- Acknowledgement if funding support was held constant, the regional transit network could only grow if funded locally
- Recognition of promise to voters (Prop 400, future commitments)
- Desire to further explore formula/performance-based concepts for additional discussion

Next Steps



Policy Direction Sought

1. What pathway should MAG further consider moving forward?
2. What information would you like to see from MAG moving forward?